IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 03.09.2007

CORAM:

THE HONOURABLE MR.JUSTICE F.M.IBRAHIM KALIFULLA
and
THE HONOURABLE MRS.JUSTICE R.BANUMATHI

W.P.26869 of 2007

Centre for Social and Economic Justice,
rep. by its Managing Trustee,
P.Sundararajan
571/2-H, Anna Salai,
Teynampet, Chennai 18. .. Petitioner

Versus

1. Union of India
   rep. by the Director
   of Public Grievances,
   Ministry of Finance,
   Department of Economic Affairs,
   Banking Division,
   Jeevan Deep Building,
   Parliament Street,
   New Delhi 1.

2. The Governor,
   Reserve Bank of India,
   Central Office,
   Mumbai 400 001.

3. The President,
   Indian Banks' Association,
   World Trade Centre, 6th Floor,
   Centre 1 Building,
   World Trade Centre Complex,
   Cuff Parade,
   Mumbai 400 005.

4. Managing Director,
   ABN AMRO Bank,
   9th Floor, Tower C,
   Cyber Greens,
   DLF Cyber city,
   Sector 25A,
   Gurgaon 122 002.

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5. Managing Director,
   American Express Bank Ltd.,
   A, A1, A2 Enkay Centre,
   Udyog Vihar Phase V,
   Gurgaon,
   Haryana 122 016, India.

6. Managing Director,
   Citibank N A,
   Shakti Towers,
   766 Anna Salai Post Office,
   Chennai 2.

7. Managing Director,
   ICICI Bank Ltd.,
   Landmark Race Course Circle,
   Vadodara 390 007.

8. Managing Director,
   Standard Chartered Bank,
   90 Mahatma Gandhi Road,
   Mumbai 400 001.

9. Managing Director,
   State Bank of India,
   State Bank Bhawan, IV Floor,
   Nariman Point,
   Mumbai 400 021.

10. Managing Director,
    The Hongkong & Shanghai Banking
     Corporation Ltd.,
    52/60, M.G.Road,
    Fort, Mumbai 400 001.

11. Managing Director,
    The HDFC Bank Ltd.,
    HDFC Bank House,
    Senapati Bapat Marg,
    Lower Parel, (West)
    Mumabi 400 013. .. Respondents

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Writ Petition filed under Article 226 of The Constitution of India to issue a Writ of mandamus directing respondents 4 to 11 to strictly enforce the guidelines provided in the Master Circular on Credit Card Operations of banks (RBI/2007-08/32 DBOD.FSD.BC.17/24.01.011/2007-08) consequently direct respondents 4 to 11 (a) to constitute the Consumer Grievance Redressal machinery within the organisations at regional level (b) to give wide publicity among the people to reach the message effectively as

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enshrined in the Master Circular (RBI/2007-08/32 DBOD.FSD.BC.17/24.01.011/2007-08) and (c)further direct the respondents to provide all the relevant information and correspondence including the rules and regulations, bill details etc in English and in Tamil for proper understanding of the common man and direct respondents 1 to 3 to monitor the implementation of guidelines insisted in the Master Circular provided by the Reserve Bank of India by respondents 4 to 11.

For petitioner : Mr.D.Lingeswaran
For R2 : Mr.T.Poornam

O R D E R

(Order of the Court was made by F.M.IBRAHIM KALIFULLA,J.)

The petitioner claims itself to be a Registered Trust and is interested in the welfare of the public at large, in particular, the issue relating to the operation of credit card facilities. The petitioner seeks for the issuance of writ of mandamus, in particular, to direct the second respondent, viz., Reserve Bank of India, to implement its own guidelines in the Master Circular dated 02.07.2007 as against the Banking Institutions governed by the provisions by the Banking Regulation Act, 1949 and the Reserve Bank of India Act, 1934.

2. Mr.T.Poornam, learned standing counsel appearing for the second respondent in the course of his submissions pointed out that in paragraph No.7 of the guidelines, provisions have been made as to how the grievances of the customers holding credit cards are to be redressed and that in paragraph No.10, the Reserve Bank of India has also got its right to impose penalty on a Bank/Non-Banking Financial Companies under the provisions of the Banking Regulation Act, 1949 and the Reserve Bank of India Act, 1934 for violation of any of its guidelines.

3. In fact, the learned counsel for the petitioner brought to our notice that the petitioner has preferred its representation dated 14.06.2007 to the Ministry of Finance as well as the second respondent/Reserve Bank of India, pointing out certain grievances of the credit card holders.

4. The learned Standing Counsel representing the second respondent has placed before us a reply dated 23.08.2007 sent by the second respondent, which reads as under:

"RESERVE BANK OF INDIA

CSD.BOS.No.808/13.40.01/2007-08 August 23, 2007

Shri P.Sundararajan
Authorised Signatory
Centre for Social and Economic Justice
1-P, Pandu Klix Plaza (Basement)
330/168, Thambu Chetty Street,
Chennai 600 001.

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Dear Sir,
Credit Card operations of banks
We thank you for your letter dated June 14, 2007 on the captioned subject forwarding us certain suggestions/issues on the credit card operations of banks in India.

2. In this connection, we would like to convey that Reserve Bank of India is presently conducting a study on the entire credit card operations of banks based on the complaints received. Suggestions/issues forwarded by you are being examined as a part of the study. On completion of the same, appropriate guidelines, if any, will be issued to banks by our regulatory department.
Yours sincerely,
Sd/..
(Sujatha Elizabeth Prasad)
General Manager."

5. In the light of the said stand now taken by the second respondent, we feel that it will be suffice to leave it to the second respondent/Reserve Bank of India to proceed further with its stand taken in its reply and in that process, extend an opportunity to the petitioner to point out any specific violation under the provisions of any statutory enactment including the Banking Regulation Act, 1949 as well as the Reserve Bank of India Act, 1934 and wherever necessary, take appropriate action for the redressal of the grievances of the credit card holders and ensure that the vulnerability of the credit card holders are not exposed by any Banking Institution or Non-Banking Financial Companies. We would appreciate if the second respondent takes some expeditious steps in furtherance of the above direction. This writ petition stands disposed of with the above observations. No costs.

Sd/
Asst.Registrar

/true copy/

Sub Asst.Registrar

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To

1. The Director of Public Grievances,
   Ministry of Finance,
   Department of Economic Affairs,
   Banking Division,
   Union of India,Jeevan Deep Building,
   Parliament Street,New Delhi 1.

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2. The Governor,Reserve Bank of India,
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3. The President,Indian Banks' Association,
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4. The Managing Director,
   State Bank of India,
   State Bank Bhavan, IV Floor,
   Nariman Point, Munbai 400021.

1 CC To Mr.D.Lingeswaran, Advocate, SR NO.55215.
1 CC To Mr.T.Poornam Bijesh Thomas, Advocate, SR NO.54687.

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RVL 19.09.2007

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